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DEPARTMENT FOR SCA/CEN, EUR/ACE, AND USAID  
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TAGS: [PREL](#) [EAID](#) [UZ](#)  
SUBJECT: COURT SUSPENDS ACTION AGAINST FINCA FOR ONE MONTH

REF: TASHKENT 1151 AND PREVIOUS

Sensitive but unclassified. Please handle accordingly.

¶1. (SBU) On June 28, the Tashkent City Economic Court postponed further legal action in the Foundation for International Community Assistance's (FINCA) ongoing tax case for one month. The court initially heard oral arguments on the State Tax Committee's petition to declare FINCA bankrupt. Instead of ruling on the petition, however, the judge decided to continue the hearing until July 27. Later the same day, a second judge dismissed the tax authorities' request to seize FINCA's remaining assets to satisfy financial sanctions imposed as the result of alleged violations of Uzbek law. The judge ruled that because the tax committee was listed as a creditor in the bankruptcy petition, it could not take any of FINCA's assets until that case had been resolved.

¶2. (SBU) Comment: The Ministry of Foreign Affairs called Post early in the day on June 28 to say that the legal proceedings against FINCA would be suspended in light of joint efforts to resolve the tax cases against FINCA and ACDI/VOCA (reftel). The June 28 outcome should be viewed only as a time-out while an agreement is being hashed out, not in any way as a win for FINCA.  
HANSON